

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 15, 2005

APPLICATION OF

MCIMETRO ACCESS TRANSMISSION  
SERVICES OF VIRGINIA, INC.

CASE NO. PUC-2005-00058

For a waiver of the customer deposit  
escrow account rules

ORDER PRESCRIBING NOTICE  
AND INVITING COMMENTS AND  
REQUESTS FOR HEARING

On April 29, 2005, MCImetro Access Transmission Services of Virginia, Inc. ("MCI"), filed its Application with the State Corporation Commission ("Commission") requesting a partial waiver of the customer deposit escrow account rules.<sup>1</sup> Specifically, MCI is requesting a waiver from the requirement that deposits be held in a "Virginia office of a duly chartered state or national bank . . ."

---

<sup>1</sup> 20 VAC 5-417-30 F requires that competitive local exchange carriers ("CLECs") establish an escrow account for customer deposits in a Virginia office of a financial institution. The rule was adopted by the Commission in Case No. PUC-2002-00115, in an Order Adopting Rules which, among other things, imposed the following requirement on CLECs:

20 VAC 5-417-30. Conditions for new entrants.

...

F. A new entrant shall, prior to collecting any customer deposits, establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association, savings bank, or credit union, which is unaffiliated with the applicant. The Division of Economics and Finance shall be notified of this arrangement at its inception and any subsequent change to the arrangement. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the staff or commission determines it is no longer necessary.

MCI states that it filed the Application pursuant to 20 VAC 5-417-80, which provides for waivers or exemptions to the rules governing CLECs.

2005 JUL 15 A 11:40

CONTROL

In support of its Application for a partial waiver of the customer deposit requirement, MCI notes that it is a national company that serves customers in all states and the District of Columbia. As a result of this national scope, MCI utilizes a central location, Huntington Bank, a federally insured and duly chartered bank with its main office located in Columbus, Ohio, as an escrow depository of customer deposits for all of MCI's operating subsidiaries. Huntington Bank does not have a Virginia office as required by the Rules.

MCI argues in support of its requested partial waiver of the customer deposit escrow requirement that requiring it to place customer deposits in a Virginia branch of a state or national bank, savings and loan association, savings bank, or credit union would create a "tremendous burden" on MCI, as it would have to make arrangements with a financial institution separate and apart from its parent's arrangements with Huntington Bank. MCI further asserts that this would involve not only establishing a separate arrangement with a financial institution, but would also involve having to establish separate money handling procedures for Virginia alone.

The Commission concludes that interested parties should have the opportunity to comment on MCI's Application.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUC-2005-00058.
- (2) On or before September 21, 2005, interested persons may file written comments concerning the issues in this case with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Comments shall refer to Case No. PUC-2005-00058. Interested persons desiring to submit comments electronically may do so by following the instructions found on the Commission's website:

<http://www.scc.virginia.gov/caseinfo.htm>. Comments may pertain to any issues associated with the Application described herein.

(3) On or before September 21, 2005, interested persons may request that the Commission convene a hearing concerning the Application by filing a request for a hearing with the Clerk of the Commission at the address set forth above. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter.

(4) Any interested person desiring to participate as a party in this proceeding shall file with the Clerk of the Commission at the address set forth above, on or before September 21, 2005, an original and fifteen (15) copies of a notice of participation as a respondent pursuant to Rule 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure. The notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific actions sought to the extent then known; and (iii) the factual and legal basis for the action. Interested parties shall refer in all of their filed papers to Case No. PUC-2005-00058.

(5) A copy of any written comments, requests for hearing, or notices of participation shall simultaneously be sent to counsel for MCI: Eric M. Page, Esquire, LeClair Ryan, P.C., 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060.

(6) MCI shall furnish a copy of its Application to any person who requests one.

(7) On or before August 21, 2005, MCI shall publish once, as classified advertising, a notice of its Application in daily newspapers of general circulation in Virginia the following:

NOTICE BY MCIMETRO ACCESS  
TRANSMISSION SERVICES OF VIRGINIA, INC.  
OF ITS APPLICATION FOR A PARTIAL WAIVER OF  
CUSTOMER DEPOSIT ESCROW ACCOUNT RULES  
CASE NO. PUC-2005-00058

On April 29, 2005, MCImetro Access Transmission Services of Virginia, Inc. ("MCI"), filed an Application with the Virginia State Corporation Commission ("Commission") seeking a waiver of the requirement to maintain customer deposits in a Virginia office of a duly chartered state or national bank, savings and loan association, savings bank, or credit union, which is unaffiliated with the applicant. If granted this partial waiver, MCI would be able to maintain customer deposits in a non-Virginia office of a bank or other financial institution.

On or before September 21, 2005, interested persons may file written comments concerning the issues in this case with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Comments shall refer to Case No. PUC-2005-00058. Interested persons desiring to submit comments electronically may do so by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>. Comments may pertain to any issues associated with the Application described herein.

On or before September 21, 2005, interested persons may request that the Commission convene a hearing concerning the Application by filing a request for a hearing with the Clerk of the Commission at the address set forth above. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter.

Any interested person desiring to participate as a party in this proceeding shall file with the Clerk of the Commission at the address set forth above, on or before September 21, 2005, an original and fifteen (15) copies of a notice of participation as a respondent pursuant to Rule 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure. The notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific actions sought to the extent then known; and (iii) the factual and legal basis for the action.

Interested parties shall refer in all of their filed papers to Case No. PUC-2005-00058. A copy of any comments, requests for hearing, or notices of participation, whether submitted in writing or electronically, shall be simultaneously served upon MCI's counsel at the address set forth below.

Any person desiring a copy of MCI's Application may obtain one by contacting MCI's attorney, Eric M. Page, Esquire, LeClair Ryan, P.C., 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. The Application may also be inspected in the Commission's Document Control Center during its regular business hours of 8:15 a.m. to 5:00 p.m., Monday - Friday.

MCIMETRO ACCESS TRANSMISSION  
SERVICES OF VIRGINIA, INC.

(8) On or before September 9, 2005, counsel for MCI shall provide to the Commission proof of the notice required by Ordering Paragraph (7) herein.

(9) The Commission Staff shall file comments on the reasonableness of MCI's application on or before October 7, 2005.

(10) On or before October 14, 2005, MCI shall file with the Clerk of the Commission an original and fifteen (15) copies of any responses to comments and requests for hearing filed with the Commission. A copy of the response shall be delivered by overnight delivery to Staff and any other persons who filed comments or requests for hearing.

(11) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Eric M. Page, Esquire, LeClair Ryan, P.C., 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060; C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of Attorney General, 900 East Main Street, 2nd Floor, Richmond, Virginia 23219; and the Commission's Office of General Counsel and Divisions of Communications and Economics and Finance.